

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT AND TRANSPORTATION**

**Call to Order:** By **CHAIRMAN BOB DAVIES**, on January 23, 2001 at  
8:10 A.M., in Room 317-B Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Bob Davies, Chairman (R)  
Sen. Jack Wells, Vice Chairman (R)  
Rep. John Brueggeman (R)  
Rep. Monica Lindeen (D)  
Sen. Bea McCarthy (D)  
Sen. Corey Stapleton (R)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Greg DeWitt, Legislative Branch  
Cyndie Lockett, Committee Secretary  
Amy Sassano, OBPP

**Please Note:** These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: Department of Transportation,  
1/23/2001  
Executive Action:

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HEARING ON DEPARTMENT OF TRANSPORTATION

**Chairman Davies** called the meeting to order and asked **Mr. DeWitt** to explain his handout **EXHIBIT(jgh18a01)**.

**Chairman Davies** introduced the **Director of Transportation Dave Galt**. **Mr. Galt** gave an introduction of his staff that were in the hearing room. **Gary Gilmore, Highways and Engineering for the Department of Transportation (DOT)**, presented first. **Mr. Gilmore** began talking about the decision packages in the LFD Budget Analysis Book. **Mr. Gilmore** went over the Construction program.

CONSTRUCTION PROGRAM

**Mr. Gilmore** went through the decision packages one by one. DP 1 discusses contracted services for the Legal Services Bureau. **Mr. Gilmore** stated that there has been an increase in contract claims.

**Sen. Wells** asked what has caused the increase in lawsuits and what is the department doing to prevent it. **Mr. Gilmore** responded that most lawsuits are contract claims and this is due to the 60 percent increase in the size of their construction program. To file a claim is free. **Rep. Lindeen** asked what kind of claims are filed and **Mr. Gilmore** said the largest number are due to changed conditions.

**Chairman Davies** asked about the cost when the DOT goes to court. **Mr. Gilmore** said they don't get the cost if they win like plaintiffs do.

**Sen. Wells** asked is the DOT is doing something to protect themselves from these claims. **Mr. Gilmore** said they try to concentrate on post construction reviews.

**Mr. Gilmore** talked about DP 3, Environmental Consultant Services, and DP 5, Traffic Signal Design Training.

**Mr. Gilmore** then discussed DP 7 which involves overtime/differential.

**Sen. Stapleton** asked why the lower level employee gets paid the higher pay status when the higher level person is absent from a project. **Mr. Gilmore** answered that it is in the union contract.

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**Mr. DeWitt** added that the subcommittee will see this in many other programs.

**Sen. Stapleton** asked for the differentials from 1996 to present. **Mr. DeWitt** said he would put that data together.

**Mr. Gilmore** talked about DP 8, which involves the Construction Management Division. Who are out on projects? This decision package adjusts costs of construction, length of projects, type of projects and more.

**Chairman Davies** asked how many construction workers there are. **Mr. Gilmore** said 350 to 400 people. **Mr. Gilmore** then discussed the CADD system, which falls under DP 12.

**Sen. Stapleton** asked how many CADD workstations there are and if there are 350 CADD users at this time.

**Mr. Gilmore** described DP 13 and how it is an accounting change. **Mr. Galt** began to talk about how important this decision package is and asked if the subcommittee had questions, because it was important that they understand the need for the decision package. **Mr. Galt** said it will be found in other programs.

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DP 14 was discussed. **Mr. Gilmore** continued on with DP 15, which involved research.

**Sen. Wells** asked what kind of research and **Mr. Gilmore** answered asphalt for one.

**Sen. McCarthy** asked what has come out of research lately and **Mr. Gilmore** said the latest was Super Pave. It's pavement that has a long life and it works well in hot and cold environments. Then **Mr. Gilmore** covered DP 16 and DP 17.

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**Chairman Davies** asked if the workload is rising, where they finding qualified workers. **Mr. Gilmore** told **Chairman Davies** that they are having trouble recruiting engineers and even contractors.

**Rep. Brueggeman** wants to know if there will be a reduction in growth? **Mr. Gilmore** answered by saying no, he feels its

something that will get bigger or stay the same, but it will be based more around preventive projects.

**Mr. Gilmore** began talking about new proposals and started with DP 1. The department changed this decision package from wanting 8.0 FTE to 5.0 FTE.

**Sen. Stapleton** asked about DP 2 and why there is a need for more people when on the tour at the DOT they were looking at equipment that sped up the process of surveying. The DOT people also commented that there was less foot travel with the new surveying equipment. **Mr. Gilmore** explained how they need check points and so you can see them from the airplanes. They still do a lot of manual preconstruction survey and land survey.

**Sen. Stapleton** asked **Mr. Gilmore** if they need 10 people for it. **Mr. Gilmore** said they would be invaluable.

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**Rep. Brueggeman** asked if the subcommittee reduced the amount in the state special fund if that would reduce the federal funding also. **Monte Brown, Chief of Financial Management Bureau** said you would have to look at how they originally funded that position before you could determine if the federal funding would increase or decrease.

**Sen. Wells** asked **Mr. Gilmore** what specific functions the 6 FTE of DP 4 performed. **Mr. Gilmore** responded by saying two people are compliance technicians to oversee the compliance with federal laws and guidelines; the civil engineer would be creating right-of-way designs; the right-of-way agent would negotiate in the field, and the last two will probably be a right-of-way agent and a review appraiser.

**Mr. Gilmore** explained DP's 5,7,8,9,10,11.

**Sen. McCarthy** asked where all the lawyers are based. **Mr. Gilmore** replied one in Missoula and all the rest in Helena.

DP 11 was introduced and **Mr. Gilmore** asked **Mr. DeWitt** to explain. **Mr. DeWitt** deferred to **Mr. Brown**. **Mr. Brown** said part of the reason is there is over 900 active construction projects and at any one time they can fall into a category labeled overrun status. Overrun means they are currently over the estimate of their project costs that they have given the government. So they can not bill until they modify the costs on those projects and this leads to accounts receivable. They can no longer record

that as revenue according to the Legislative Auditor. Since they can't prove that they can collect within 60 days therefore it can not count it as federal special revenue.

**Rep. Lindeen** asked for an average of how many projects fall under this provision. **Mr. Brown** said in terms of overruns, they had slightly over \$9 million. **Rep. Lindeen** asked if they anticipate inflation and **Mr. Gilmore** answered yes and it is about 3% percent annually.

DP 12 is in the handout marked **EXHIBIT(jgh18a02)**.

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**Mr. Gilmore** finishes discussing on DP 12. **Mr. DeWitt** talked about the language that was found on page A-85. **Mr. Galt** commented on the Construction Program before going into Maintenance Program.

#### MAINTENANCE PROGRAM

**John Blacker, Division Administrator for Maintenance in Department of Transportation** gave a description of his program and then went into the DP's. He talked about a customer survey. **Mr. Blacker** talked about SB 333 from the 1999 session. It transferred the responsibility for maintaining paved secondary roads from the local governments to the Department of Transportation.

**Mr. Blacker** talked about DP 1 and stated he had a copy of the bids **EXHIBIT(jgh18a03)**. He wanted to submit this so the subcommittee could see the differences in cost. He also stated that his Department took over secondary roads as of July 9<sup>th</sup> of 2000.

**Mr. Blacker** pointed out that they have two types of FTE a seasonal and temporary. Seasonal people keep their benefits while temporary personnel have no benefits.

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**Sen. Stapleton** asked about federal dollars especially regarding the overtime with the maintenance program. **Mr. Blacker** said 6 percent of the program has federal aid and that usually goes to contracted services. He stated if he sends a snowplow out its not eligibly for reimbursement. **Mr. Blacker** continued talking about DP 4, 5, 7, 10, 11, and 12.

**Mr. DeWitt** pointed out the two DPs 3 and 4 have the same name because HB 2 required certain reports from the executive that talked about information technology budget costs. In order to break out the funding the budget office split these out. He recommended that when looking at these the subcommittee consider them one unit.

DP 5 deals with overtime and **Mr. Blacker** commented that 80 percent comes in the winter while 20 percent is used in the summer. **Sen. Stapleton** asked for an explanation on the ratio for overtime. **Mr. Blacker** stated its time and a half. **Mr. Blacker** stated that they use a seven year history to base what they need for overtime. **Sen. Stapleton** said that he didn't like the fact that the subcommittee is voting for time and half pay without know the workload.

**Sen. McCarthy** commented say that they allocate the funds for overtime, but if there is no snowstorms all winter then they don't use the money. **Mr. Blacker** said they don't schedule the overtime and they watch it very closely. If they don't use the money it all goes back into the fund. **Mr. DeWitt** also stated that overtime never gets counted in the base budget so that is why they have to ask for it every two years.

**Sen. Stapleton** asked if he could see historical on the overtime. **Mr. Blacker** said he could get that for him.

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**Mr. Blacker** continued talking about DP 11.

**Sen. Wells** asked how many rest areas are on the interstate. **Mr. Blacker** said there are 49 rest areas in the state. **Mr. Blacker** said that out of the 49 there are about 30 on interstate and 19 on secondary roads.

**Sen. Stapleton** asked if any of the equipment contained in DP 12 is used for construction. **Mr. Blacker** replied yes the construction program uses it, but they pay for it. **Mr. DeWitt** stated that the department runs an Equipment Program, which means they own all the equipment used at the agency. They buy it, maintain it, and rent it out to other programs within the agency. **Mr. Blacker** continued on with DP 13 and then new proposals 1, 2, and 3.

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**ADJOURNMENT**

Adjournment: 11:45 A.M.

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REP. BOB DAVIES, Chairman

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CYNDIE LOCKETT, Secretary

BD/CL

**EXHIBIT** (jgh18aad)